

SENATE BILL NO. 240

BY SENATOR MURRAY AND REPRESENTATIVES BROSSETT, HINES AND
LEGER

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AN ACT

To enact R.S. 17:1990(C)(2)(a)(iii), relative to the Recovery School District; to allow the Orleans Parish School Board to deduct certain costs from the amount of local revenues that it would otherwise be required to transfer to the district; to require a report accounting for such excluded monies; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 17:1990(C)(2)(a)(iii) is hereby enacted to read as follows:

§1990. Recovery School District; creation; governance; operation

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C.

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(2)(a)

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(iii)(aa) In addition to the exclusions allowed pursuant to Item (i) of this Subparagraph, when calculating the amount of money a city, parish, or other local public school board is required to allocate and transfer to the school district relative to schools transferred to the district, the Orleans Parish School Board shall allocate and transfer the share of the local revenue due the district by forward funding the monthly pro rata amount of such revenue due the district each month to the school district, including authorized charter schools in the district, and shall be allowed to exclude an amount equal to the actual amount expended by the board for the following items:

(I) Costs incurred on workers' compensation claims filed against the board prior to August 29, 2005, including related administrative costs.

(II) Costs to defend legal claims arising against the board prior to

1 August 29, 2005, and legal claims against the board after August 29, 2005, that
2 are directly attributable to Hurricane Katrina or Act 35 of the 2005 First
3 Extraordinary Session of the Legislature of Louisiana.

4 (III) Employer's cost of health insurance for retired participants in the
5 board's plan as of July 1, 2009, which shall not exceed twenty-five percent of the
6 total premium cost.

7 (IV) A supplement of two hundred dollars per month for health
8 insurance premiums for retired participants in the board's plan as of July 1,
9 2009.

10 (V) Costs of short-term borrowing, including but not limited to attorney
11 fees and interest, to provide stabilized cash flow to the Recovery School District
12 and charter schools.

13 (VI) A fee of one-tenth of one percent of total ad valorem and sales taxes
14 collected.

15 (bb) The total amount of the exclusions provided for in Subitem (aa) of
16 this Item shall not exceed six million dollars annually. Actual expenditures in
17 excess of six million dollars in any year shall be carried forward for recapture
18 in future years, if available.

19 (cc) The exclusions provided for in Subitem (aa) of this Item shall expire
20 upon the extinguishment of the costs associated therewith, upon any action of
21 the board to reduce the constitutional millage from the level in effect for Fiscal
22 Year 2009-2010, except as required pursuant to a property reassessment,
23 twelve months following the full settlement of Orleans Parish School Board
24 Special Community Disaster Loans, or twenty tax years from the roll forward
25 millage adoption, whichever occurs first.

26 (dd) The excluded costs enumerated in Subitem (aa) of this Item shall
27 be included as a schedule to the annual financial statements of the Orleans
28 Parish School Board and audited by its certified public accountant. The
29 contents of the schedule shall be determined jointly by the Orleans Parish
30 School Board and the state Department of Education. The audited financial

1 statements and the schedule shall be submitted to the state Department of
 2 Education, to account for any monies so excluded, within one hundred eighty
 3 days of the end of each fiscal year. Any audit adjustments to these exclusions
 4 shall be added to or deducted from, as the case may be, the subsequent year's
 5 exclusions.

6 Section 2. This Act shall become effective upon signature by the governor or, if not
 7 signed by the governor, upon expiration of the time for bills to become law without signature
 8 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 9 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 10 effective on the day following such approval.

 PRESIDENT OF THE SENATE

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____